

Exhibit 1

Norman, Hubbard & Assoc. Inc.

11 Holland Avenue
White Plains, NY 10603 914-997-1484
Tax ID# 13-3600910

INVOICE

INVOICE NUMBER: 212269
INVOICE DATE: May 15, 2012

To: Residential Home Funding - Fairfield
60 Route 46 East
Fairfield, NJ 07004

CLIENT NUMBER: 12928

ORDERED BY	ORDERED ON	ORDER TYPE	DELIVERED ON
Carol Leborgne	5/10/12	UAD FHA SFR (1004)	5/24/12
ORDER FOR			FEE
O'Connor, Carolyn F 33 West Asbury Anderson Road Hampton, NJ 08827			\$450.00
Appraisal Number: 212269 Loan Id :189120500496			

Invoice has been Paid In Full for \$450.00

(Please return this section with payment)

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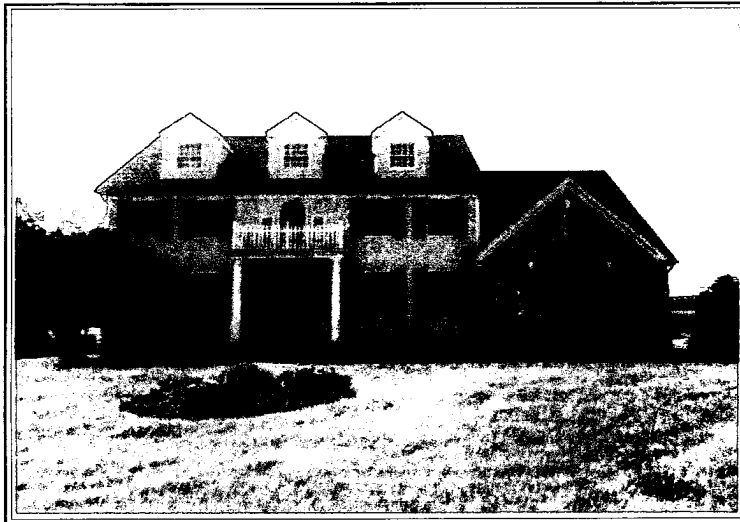
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Client Copy

Porter Place Appraisals
A Summary Report

FHA# 352-7569295
File No. 140-12

APPRAISAL OF



A Single Family Dwelling

LOCATED AT:

33 West Asbury Anderson Road
Washington Township, NJ 08827

FOR:

Residential Home Funding
4 Wood Hollow Road
Parsippany, NJ 07054

BORROWER:

Carolyn O'Connor

AS OF:

May 19, 2012

BY:

Joshua Spiegel, SCRREA

Porter Place Appraisals
A Summary Report

FHA# 352-7569295
File No. 140-12

Norman Hubbard & Associates
Residential Home Funding
4 Wood Hollow Road
Parsippany, NJ 07054

File Number: 140-12

In accordance with your request, I have appraised the real property at:

33 West Asbury Anderson Road
Washington Township, NJ 08827

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of May 19, 2012 is:

\$455,000
Four Hundred Fifty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.


Joshua Spiegel, SCRREA

A Summary Report

Uniform Residential Appraisal Report

FHA# 352-7569295

File No. 140-12

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address **33 West Asbury Anderson Road** City **Washington Township** State **NJ** Zip Code **08827**

Borrower **Carolyn O'Connor** Owner of Public Record **Fred Corigliano** County **Warren**

Legal Description **Block 74 / Lot 6.04 ***See addendum for comment on mailing address**

Assessor's Parcel # **2122-00074-0000-00006-0004** Tax Year **2011** R.E. Taxes \$ **14,675**

Neighborhood Name **Asbury Musconetcong** Map Reference Cmnty# **0496** Census Tract **34019-0319.00**

Occupant ☐ Owner ☒ Tenant ☐ Vacant Special Assessments \$ **0.00** ☐ PUD HOA \$ **0.00** ☐ per year ☐ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)

Lender/Client **Residential Home Funding** Address **4 Wood Hollow Road, Parsippany, NJ 07054**

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☒ Yes ☐ No

Report data source(s) used, offering price(s), and date(s). **DOM Unk; Owner / Borrower / Lender / Contract of Sale; the current transfer reflects a "Rent with option to purchase" agreement from 2008; no current MLS listing is available.**

☒ I did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Non-arms length sale; **See Attached Addendum**

Contract Price \$ **694,900** Date of Contract **09/22/2008** Is the property seller the owner of public record? ☒ Yes ☐ No Data Source(s) **NJ Tax Records**

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☒ No

If Yes, report the total dollar amount and describe the items to be paid. **\$0;; See addendum and refer to the sales contract for specific details of the purchase agreement.**

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	70 %		
Built-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	50	Low 1	Multi-Family	%		
Neighborhood Boundaries North of Route 31, south of Route 51, east of Route 643 and west of Red Mill Road.			350	High	125	Commercial	%		
			225	Pred.	20	Other Vacant	30 %		

Neighborhood Description **Most properties in the area are generally well maintained. Major employment centers, shopping facilities, most amenities, public transportation and schools are nearby. The subject is found in a residential neighborhood having average appeal to the market. No adverse conditions were cited on the day of the inspection.**

Market Conditions (including support for the above conclusions) ****See Attached Addendum****

Dimensions **4 ac** Area **4 ac** Shape **Subject to survey** View **N; Res;**

Specific Zoning Classification **VR** Zoning Description **Valley Residential**

Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/> Well-Typical	Street	<input checked="" type="checkbox"/> Macadam	
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/> Septic-Typical	Alley	<input checked="" type="checkbox"/> None / Typical	

FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone **X** FEMA Map # **34041C0326E** FEMA Map Date **09/29/2011**

Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe. **No adverse easement, encroachment, or any unfavorable onsite conditions noted at the time of inspection. Flood location should be confirmed through flood certification. Well water and septic systems are typical to the area, having no adverse effect on marketability.**

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Conc. Blk-Avg.	Floors	HW-Tile-Avg.		
# of Stories 2	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Vinyl-Brk-Avg.	Walls	Drywall-Avg.		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 1721 sq. ft.	Roof Surface	Asphalt-Avg.	Trim/Finish	Wood-Avg.		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Aluminum -Avg.	Bath Floor	Tile-Avg.		
Design (Style) Colonial	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Dbl Hung-Avg.	Bath Wainscot	Tile-Avg.		
Year Built 2005	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Yes-Yes-Avg.	Car Storage	<input type="checkbox"/> None		
Effective Age (Yrs) 7	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes-Avg.	<input checked="" type="checkbox"/> Driveway # of Cars 3			
Attic	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Wood Stove(s) #0	Driveway Surface	Macadam		
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs <input type="checkbox"/> Other	Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence None	<input checked="" type="checkbox"/> Garage # of Cars 2			
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck	<input type="checkbox"/> Porch None	<input type="checkbox"/> Carport # of Cars 0			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in			

Appliances **[P] Refrigerator [X] Range/Oven [X] Dishwasher [X] Microwave [P] Washer/Dryer [X] Other (describe) Fan / Hood**

Finished area above grade contains: **9** Rooms **4** Bedrooms **3.0** Bath(s) **3,182** Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.). **The subject property has typical energy efficient items for dwelling of the subject's age including storm windows.**

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **C3; No updates in the prior 15 years; The subject is a colonial style dwelling as described in this report. The subject has a 2 car oversized garage, deck, fireplace, central air conditioning and full / unfinished basement. The subject is generally well maintained; no physical, functional or external inadequacies noted. Physical condition is consistent with overall effective age. Those areas not visible to the appraiser during the course of a routine inspection are deemed to be in average condition. < continued in addendum >**

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe. **No adverse conditions noted at the time of inspection; however, the appraiser is not a licensed contractor or home inspector and cannot attest to the overall soundness or structural integrity of the subject other than what is visible to the naked eye during the course of a routine inspection.**

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. **The subject property conforms to the neighborhood in terms of style, condition and overall market appeal.**

A Summary Report

Uniform Residential Appraisal Report

FHA# 352-7569295

File No. 140-12

There are 0 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 0 to \$ 0	
There are 1 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 465,000 to \$ 465,000	
FEATURE	SUBJECT
33 West Asbury Anderson Road	118 Junction Rd
Address Washington Township, NJ 08827	Hampton, NJ 08827
Proximity to Subject	0.96 miles ESE
Sale Price	\$ 694,900
Sale Price/Gross Liv. Area	\$ 218.38 sq. ft.
Data Source(s)	MLS #2847535;DOM 98
Verification Source(s)	NJ Tax Records
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing Concessions	Armlth unknown;0
Date of Sale/Time	s08/11;c07/11
Location	N;Res;
Leasehold/Fee Simple	Fee Simple
Site	4 ac
View	N;Res;
Design (Style)	Colonial
Quality of Construction	Q3
Actual Age	7
Condition	C3
Above Grade	Total Bdrms Baths
Room Count	9 4 3.0
Gross Living Area	55 3,182 sq. ft.
Basement & Finished	1721sf0sfo
Rooms Below Grade	0r0br0.0ba0o
Functional Utility	Average
Heating/Cooling	FWA C/Air
Energy Efficient Items	Standard
Garage/Carport	2 Car Garage
Porch/Patio/Deck	Deck
Adt'l Amnty	1 Fireplace
Adt'l Amnty	Standard
Net Adjustment (Total)	\$ 3,500
Adjusted Sale Price	\$ 461,500
of Comparables	
I [X] did [] did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
transfer history of the subject property and the comparable sales.	
My research [] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data source(s) New Jersey Tax Records / Garden State MLS	
My research [] did [X] did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data source(s) New Jersey Tax Records / Garden State MLS	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	
Price of Prior Sale/Transfer	
Data Source(s)	NJ Tax Records
Effective Date of Data Source(s)	05/22/2012
Analysis of prior sale or transfer history of the subject property and comparable sales Subject not sold in the last 36 months. No additional listings of subject in the last 12 months. No additional sales / listings of comparables other than as stated above in the 12 months prior to their most recent sale per MLS / NJ Tax Records.	
Summary of Sales Comparison Approach. **See Attached Addendum**	
Indicated Value by Sales Comparison Approach \$ 455,000	
Indicated Value by: Sales Comparison Approach \$ 455,000 Cost Approach (if developed) \$ 455,385 Income Approach (if developed) \$	
Greatest weight given to the sales comparison approach. Cost Approach supportive of indicated market value; Income Approach not developed due to lack of sufficient single family rental information.	
This appraisal is made [X] as is, [] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or [] subject to the following inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No additional comments or conditions placed on this appraisal. This appraisal was ordered through Norman Hubbard & Associates and is HVCC compliant.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 455,000 as of 05/19/2012, which is the date of inspection and the effective date of this appraisal.	

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Uniform Residential Appraisal Report

FHA# 352-7569295

File No. 140-12

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Notice to reviewer:

The appraiser notes that the multiple listing service utilized and resulting comparable sales information has revealed that much of the data indicated for room counts and usage is consistently being reported inaccurately. The appraiser has relied on a combination of mls reporting data, tax data, appraiser's files, broker inquiries and external inspections to most accurately describe the comparables utilized in this report. The reviewer should not solely rely on mls data which is known to be inaccurate in many cases.

Those items not visible to the appraiser are estimated to be in average condition. The appraiser reserves the right to amend this report should any adverse conditions be made known which would adversely affect the value conclusion and statements contained in this report. A home inspection is highly recommended.

Furthermore the appraiser reserves the right at any time to amend this report and the subsequently reported value if new and pertinent information is discovered or if the sales information provided can not be proven, that could change or compromise the integrity of this report. The appraiser reserves the ultimate right to rescind the established value or increase same if it is prudent to do so.

Appraiser's Signature:

The appraiser/s (this includes all appraisers with signatures vested within this report) have signed this report using digital technology, which has been appropriately password protected. The appraiser/s mentioned within this report do certify that the signature/s marked on this report is / are original signature/s which has been reproduced electronically.

Cost Approach has only been developed by the appraiser as an analysis to support their opinion of the property's market value. Use of this data, in whole or part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Land sales are limited; greatest weight placed on the abstraction method. Land to Value Ratio typically exceeds 30%; said condition is typical of the area and has no adverse affect on the future marketability of same.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$ 100,000
Source of cost data Marshall & Swift Cost Estimator	Dwelling 3,182 Sq. Ft. @ \$ 85.00	= \$ 270,470
Quality rating from cost service Average Effective date of cost data 2012	Bsmt: 1721 Sq. Ft. @ \$ 35.00	= \$ 60,235
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	CAC/Deck/FP	= 15,000
(See Attached Sketch Addendum)	Garage/Carport 623 Sq. Ft. @ \$ 30.00	= \$ 18,690
G.L.A. 3,029 Sq. Ft.	Total Estimate of Cost-New	= \$ 364,395
Cost Approach is derived from and supported by	Less 75 Physical Functional External	= \$(34,010)
Marshall & Swift Residential Cost Estimator. Land to Value Ratio	Depreciated Cost of Improvements	= \$ 330,385
is typical within this market place.	"As-is" Value of Site Improvements	= \$ 25,000

Estimated Remaining Economic Life (HUD and VA only) 68 Years INDICATED VALUE BY COST APPROACH

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold
Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

A Summary Report

Uniform Residential Appraisal Report

FHA# 352-7569295

File No. 140-12

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

A Summary Report

Uniform Residential Appraisal Report

FHA# 352-7569295
File No. 140-12

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

A Summary Report

Uniform Residential Appraisal Report

FHA# 352-7569295
File No. 140-12

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
Name Joshua Spiegel/SCREA
Company Name Porter Place Appraisals
Company Address 14 Twombly Ct
Morristown, NJ 07960
Telephone Number 973-954-8020
Email Address jspiegel99@gmail.com
Date of Signature and Report 05/22/2012
Effective Date of Appraisal 05/19/2012
State Certification # 42RC00192200
or State License # _____
or Other (describe) _____ State # _____
State NJ
Expiration Date of Certification or License 12/31/2013

ADDRESS OF PROPERTY APPRAISED
33 West Asbury Anderson Road
Washington Township, NJ 08827

APPRAISED VALUE OF SUBJECT PROPERTY \$ 455,000

LENDER/CLIENT

Name Norman Hubbard & Associates
Company Name Residential Home Funding
Company Address 4 Wood Hollow Road
Parsippany, NJ 07054
Email Address nhauds@gmail.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

A Summary Report

Uniform Residential Appraisal Report

FHA# 352-7569295

File No. 140-12

FEATURE	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
33 West Asbury Anderson Road	17 Edgewood Way	20 Edgewood Way		352 Hackett Rd			
Address Washington Township, NJ 08827	Glen Gardner, NJ 08826	Glen Gardner, NJ 08826		Glen Gardner, NJ 08826		Hampton, NJ 08827	
Proximity to Subject		2.39 miles ESE		2.41 miles ESE		3.22 miles S	
Sale Price	\$ 694,900	\$ 470,000		\$ 469,500		\$ 524,900	
Sale Price/Gross Liv. Area	\$ 218.38 sq. ft.	\$ 167.92 sq. ft.		\$ 146.81 sq. ft.		\$ 131.95 sq. ft.	
Data Source(s)	MLS #2841866;DOM 122	GSMLS #2927620;DOM 32		GSMLS #2937302;DOM 27			
Verification Source(s)	NJ Tax Records	NJ Tax Records		NJ Tax Records			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	+	+	+	+
Sale or Financing	ArmLth	Relo					
Concessions	Cash;0	Unk.;0					
Date of Sale/Time	s08/11;c07/11	-21,000		Active	0	Active	-15,500
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	4 ac	1.14 ac	+15,000	1.17 ac	+15,000	5.03 ac	-5,000
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	Colonial	Colonial		Colonial		Colonial	
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	7	5	0	16	0	6	0
Condition	C3	C3		C3		C3	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	9 4 3.0	8 4 2.1	+2,500	8 4 2.1	+2,500	9 4 2.2	0
Gross Living Area	55 3,182 sq. ft.	2,799 sq. ft.	21,000	3,198 sq. ft.	0	3,978 sq. ft.	-44,000
Basement & Finished	1721sf0sfwo	1400sf1200sf	-5,000	1700sf1600sf	-5,000	1600sf1500sfwo	-5,000
Rooms Below Grade	0r0br0.0ba0o	1r0br0.0ba1o	0	1r0br0.0ba0o	0	1r0br0.0ba0o	0
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA C/Air	FWA C/Air		FWA C/Air		FWA C/Air	
Energy Efficient Items	Standard	Standard		Standard		Standard	
Garage/Carport	2 Car Garage	2 Car Garage		2 Car Garage		2 Car Garage	
Porch/Patio/Deck	Deck	Deck		Patio	0	Porch	0
Ad't'l Amnty	1 Fireplace	1 Fireplace		1 Fireplace		1 Fireplace	
Ad't'l Amnty	Standard	Standard		Inground Pool	-10,000	Standard	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 12,500		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 2,500		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 69,500	
Adjusted Sale Price of Comparables		Net Adj. 2.7 % Gross Adj. 13.7 % \$ 482,500		Net Adj. 0.5 % Gross Adj. 6.9 % \$ 472,000		Net Adj. -13.2 % Gross Adj. 13.2 % \$ 455,400	
ITEM	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6			
Date of Prior Sale/Transfer							
Price of Prior Sale/Transfer							
Data Source(s)	NJ Tax Records	NJ Tax Records	NJ Tax Records	NJ Tax Records			
Effective Date of Data Source(s)	05/22/2012	05/22/2012	05/22/2012	05/22/2012			
Summary of Sales Comparison Approach	Active / Under Contract listings are for reference only and have not been utilized in any way in determining estimated market value for the subject; said listings adjusted to reflect typical sales to listing price ratio of approximately 97%.						
Sales / List price ratio not applied to sale #5 (active listing) as it's a Relocation Sale, and discount has already been accounted for in the reduced list price.							

A Summary Report

Uniform Appraisal Dataset Definitions

FHA# 352-7569295

File No. 140-12

Condition Ratings and Definitions

C1 The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

**Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*

C2 The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2 Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3 Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4 Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5 Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6 Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/ or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.

FHA# 352-7569295

Abbreviations Used in Data Standardization Text

Abbrev.	Full Name	Appropriate Fields
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
BsyRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA –Rural Housing	Sale or Financing Concessions
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site, Basement
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
Woods	Woods View	View

[illegible][illegible]

ADDENDUM

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ Zip: 08827
Lender: Residential Home Funding	

The appraiser has had no involvement with the subject property in any way within the past 3 years other than the current assignment.

Exposure Time is defined as:
The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."
Definition Source: USPAP 2012 Statement 6.

Exposure time is always presumed to precede the effective date of the appraisal. It is the estimated length of time the property would have been offered on the market, prior to the hypothetical sale, at the appraised value, on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market. This includes not only adequate, sufficient and reasonable time, but adequate, sufficient and reasonable effort. It is often expressed as a range and is based on the following:

1. Statistical information about DOM (most commonly obtained from the local MLS).
2. Information gathered through sales verification.
3. Interviews with market participants.

Based upon historical market conditions, reasonable exposure time for the subject property would have been approximately 60 to 120 days. This is based on the analysis of current market trends within the subject's sub-market, seasonal considerations and takes into account the size, condition and price range of the subject property and surrounding area.

Predominant Value Comments:
The One-Unit housing price description in the "Neighborhood" section of this report states the low to high range of values found within the subject's established neighborhood boundaries; this price range reflects all closed single-family sales within 12 months of the effective date of this appraisal with no consideration given to age, condition, size, layout, amenity or market appeal. Predominant Value simply estimates the most frequently occurring sold price.

The subject's estimated market value is based solely on the specific improvements attributable to the dwelling itself; any relationship to the predominant value has no bearing on this appraisal report.

The subject property is not an under / over improvement for the neighborhood.

Severe Weather Statement:
Due to severe weather conditions (heavy rain / high winds) which occurred recently in the subject's market, the lender is requiring an inspection of the subject property to determine whether or not the dwelling has sustained any physical damage.

The appraiser has personally inspected the subject property (as of the effective date of this report) and found the following:

- 1) A detailed inspection of the grounds (lawn, driveway, sidewalks, curbs, etc...) revealed no evidence of any adverse condition.
- 2) A detailed inspection of the dwelling (siding, roof, windows, doors, foundation, etc...) revealed no evidence of any adverse condition.
- 3) No evidence of any water / wind damage was noted during any part of the inspection. Weather conditions during the final inspection were clear with no precipitation.

This disaster had no effect on the value or marketability of the property.

No additional inspections required.

LEGAL DESCRIPTION:
The subject's legal address is:
33 West Asbury-Anderson Road
Washington Township, NJ 08827

The subject U.S.P.S. mailing address is:
33 West Asbury-Anderson Road
Hampton, NJ 08827

ANALYSIS OF THE SALES CONTRACT
The sales contract is dated September 22, 2008.

As per the contract, the current agreement was negotiated as an "Installment Contract" (Rent with Option to Purchase / Bargain and Sale Deed with Covenant against Grantor) which went into affect at the time of possession (09/22/2008) and is to be conveyed on June 15, 2012 (Balloon Payment).

The agreed upon purchase price was \$694,900 with the buyer making initial deposits of \$12,500 (upon signing of contract) & \$15,500 (upon taking possession of the premises on 09/22/2008) and making monthly payments in the amount of \$3,998.48 & \$1,000. See contract of sale for specific details on terms of payments, amortization and remaining balance (\$666,900 less those amortized monthly payments attributable to principal as well as the additional monthly payments which Buyer is making on account of principal).

This appraisal has an effective date of 05/19/2012 and estimates current market value for the subject; no consideration has been given to the subject's negotiated sales price and/or estimated market value for any prior date (including contract date).

ADDENDUM

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ Zip: 08827
Lender: Residential Home Funding	

The terms and conditions of this contract do not appear to be representative of a typical buyer and seller, therefore, the appraiser has deemed this to be an Non-Arms Length Transaction.

NEIGHBORHOOD MARKET CONDITIONS:

The subject is located in a declining market.

Fluctuations in the local / national economy along with changes in lending requirements / criteria have caused minor instability in local real estate markets.

Research into the local market has revealed a price correction in home sale values within the past 12 months, and an increasing inventory of pre-foreclosure, foreclosed, reo, short and distressed listings in the subject's municipality.

CONDITION OF THE PROPERTY

FHA Compliance:

A representative sample of light switches, electrical sockets, plumbing fixtures and hvac systems were operated satisfactorily during inspection; any items of concern have been addressed in this summary report.

This physical inspection and summary report have been conducted in compliance with all FHA reporting guidelines, and the subject property meets or exceeds HUD minimum property standards as defined by the Federal Housing Authority and the Department of Housing and Urban Development.

All attic & crawl spaces have been inspected; no adverse conditions noted.

SALES COMPARISON APPROACH:

The appraiser has attempted to display comparable sales that closed within the past 90 days, within one mile, bracketing gla and room count, within 20% of the predominant value for the neighborhood market, and similar in style of living to the subject.

All available comparables have been reviewed and reconciled within the researched range listed at the top of page #2 of the report.

The initial research may result in some properties that were not considered best comparable in similarity to the subject property. The search was then expanded to transaction dates within the past 6-12 months and within competing markets using the most similar property characteristics. In the expanded search the best available similar characteristic comparables were chosen to be reconciled and adjusted accordingly.

The 6 properties (4 sales and 2 current market listings) are considered, the best available and most comparable, therefore included in this appraisal report. All adjustments made for comparable dissimilarities are market derived according to FNMA guidelines. Comparable adjustments are made as warranted when market research deems verifiable, justifiable and creditable. Please note that data may not be deemed as arms length reliable or verifiable subject similar data and may or may not be included within sales range listed on the top of page #2 of the appraisal report.

All sale located within competing markets which share common economics and overall market appeal.

Due to lack of sales in the immediate area, sales #2, #3 and #4 are in the neighboring community of Glen Gardner.

All sales are dated; appraiser utilized due to close proximity and the limited availability of more similar sales. A date-time adjustment has been made to reflect market correction of approximately 4% as described in the "Neighborhood Market Conditions" section of this report for sales beyond 1 month.

Due to the vast township area and low density housing, it is typical for neighborhood boundaries to include multiple square miles in area, and for the resulting comparables to be located in excess of 1 mile; location adjustments are not supported. Sales #2, #3 and #4 exceed this standard guideline; this was unavoidable; had more suitable sales been found, appraiser would have utilized them.

Surplus acreage adjusted at \$5,000 per acre and rounded.

Bath utility is adjusted at \$2,500 per half bath.

G.L.A. adjusted at \$55.00 per square foot.

Due to lack of comparables, the appraiser was forced to exceed recommended guidelines in terms of overall G.L.A. differences between sales (20%); this was unavoidable. Had more similar sales been found, the appraiser would have utilized them in this report.

ADDENDUM

Borrower: Carolyn O'Connor		File No.: 140-12
Property Address: 33 West Asbury Anderson Road		Case No.: FHA# 352-7569295
City: Washington Township	State: NJ	Zip: 08827
Lender: Residential Home Funding		

G.L.A. figures are estimated and deemed accurate from sources utilized.

All adjustments are considered typical and reflect market reaction for this type of dwelling.

All sales were weighted in determining estimated market value for the subject.

*****The 1004MC and the comparable sales / listings inventory (at the top of page 2) do not match; due to limited sales, the appraiser has included a larger data sample to establish an overall trend. The comparable sales / listings inventory (at the top of page 2) includes only those sales which were considered for use in the sales comparison approach to value, the 1004MC includes all closed sales in the subject's neighborhood.***

A Summary Report

FHA# 352-7569295

Market Conditions Addendum to the Appraisal Report

File No. 140-12

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **33 West Asbury Anderson Road**City **Washington Township**State **NJ**Zip Code **08827**Borrower **Carolyn O'Connor**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	1	0	0	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.17	0.00	0.00	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	IDA	IDA	0	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	IDA	IDA	0.00	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	465,000	0	0	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Sales Days on Market	98	0	0	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	IDA	IDA	0	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Listings Days on Market	IDA	IDA	0	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale Price as % of List Price	93.90%	0.00%	0.00%	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Seller (developer, builder, etc.) paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).
****IDA - Insufficient Data Available**** All forms of incentives, seller concessions, buydowns and contributions are present in the subject's market. Due to the increasing inventory of bank / corporate owned listings in the subject's neighborhood, and the limited availability of specific data, the appraiser cannot calculate any statistic with certainty as a percentage or ratio.

Are foreclosure sales (REO sales) a factor in the market? ☒ Yes ☐ No If yes, explain (including the trends in listings and sales of foreclosed properties).

The subject is located in a declining market; all data as stated in this addendum includes corporate / bank owned, short and distressed sales and listings in the subject's neighborhood, as they are an integral factor in assessing the current market. Foreclosures and REO sales are prevalent, with a continually increasing inventory noted. No change is projected in the short term.

Cite data sources for above information. **GSMLS / NJ Tax Records / Public Records**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The subject property is located in a declining market, with bank owned, foreclosed, distressed and short sales common. Due to the large inventory of non-arms length listings (as a percentage of all sales), the above data is subject to and influenced by questionable data, and may not represent fair market transactions in the subject's neighborhood. The appraiser has made all efforts to best extract data to estimate market decline. The appraiser has estimated that there is a market correction of approximately 6% in the subject's neighborhood within the past 12 months. Prices appear to be leveling off, however, unstable financial markets, poor consumer confidence and increasing lending qualification criteria must be taken into account.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

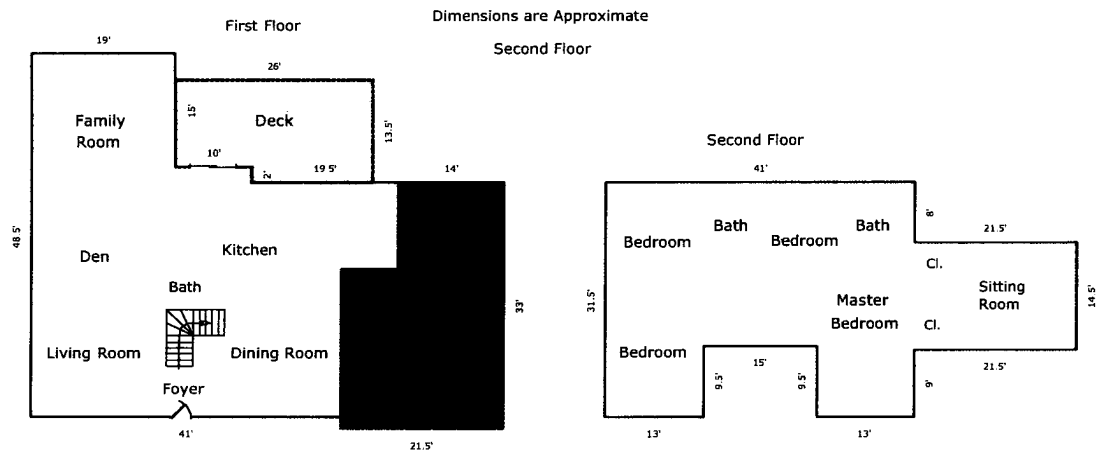
Signature *Joshua Spiegel*
 Name Joshua Spiegel / SCREA
 Company Name Porter Place Appraisals
 Company Address 14 Twombly Ct
Morristown, NJ 07960
 State License/Certification # 42RC00192200 State NJ
 Email Address jspiegel99@gmail.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

FLOORPLAN SKETCH

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ
Lender: Residential Home Funding	Zip: 08827



Sketch by Apex Medina™

Comments:

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN		
Code	Description	Net Size	Net Totals	Breakdown		Subtotals
GLA1	First Floor	1720.8	1720.8	First Floor		
GLA2	Second Floor	1460.7	1460.7	41.0 x 20.0		820.0
GAR	Garage	623.3	623.3	15.0 x 19.0		285.0
P/P	Wood Deck	331.0	331.0	2.0 x 29.0		58.0
				11.5 x 48.5		557.8
				Second Floor		
				9.5 x 13.0		123.5
				8.0 x 41.0		328.0
				9.0 x 13.0		117.0
				0.5 x 34.5		17.3
				14.0 x 62.5		875.0
Net LIVABLE Area		(rounded)	3182	9 Items	(rounded)	3182

FLOOD MAP

Borrower: Carolyn O'Connor		File No.: 140-12
Property Address: 33 West Asbury Anderson Road		Case No.: FHA# 352-7569295
City: Washington Township	State: NJ	Zip: 08827
Lender: Residential Home Funding		

InterFlood



www.interflood.com • 1-800-252-6633

Prepared for:
Porter Place Appraisals

33 W Asbury Anderson Rd
Hampton, NJ 08827-4503



0' 300' 600' 900' 1200'

FLOODSCAPE

Flood Hazards Map

Map Number
34041C0326E

Effective Date
September 29, 2011

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

© 1999-2012 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For info: info@floodsource.com

LOCATION MAP

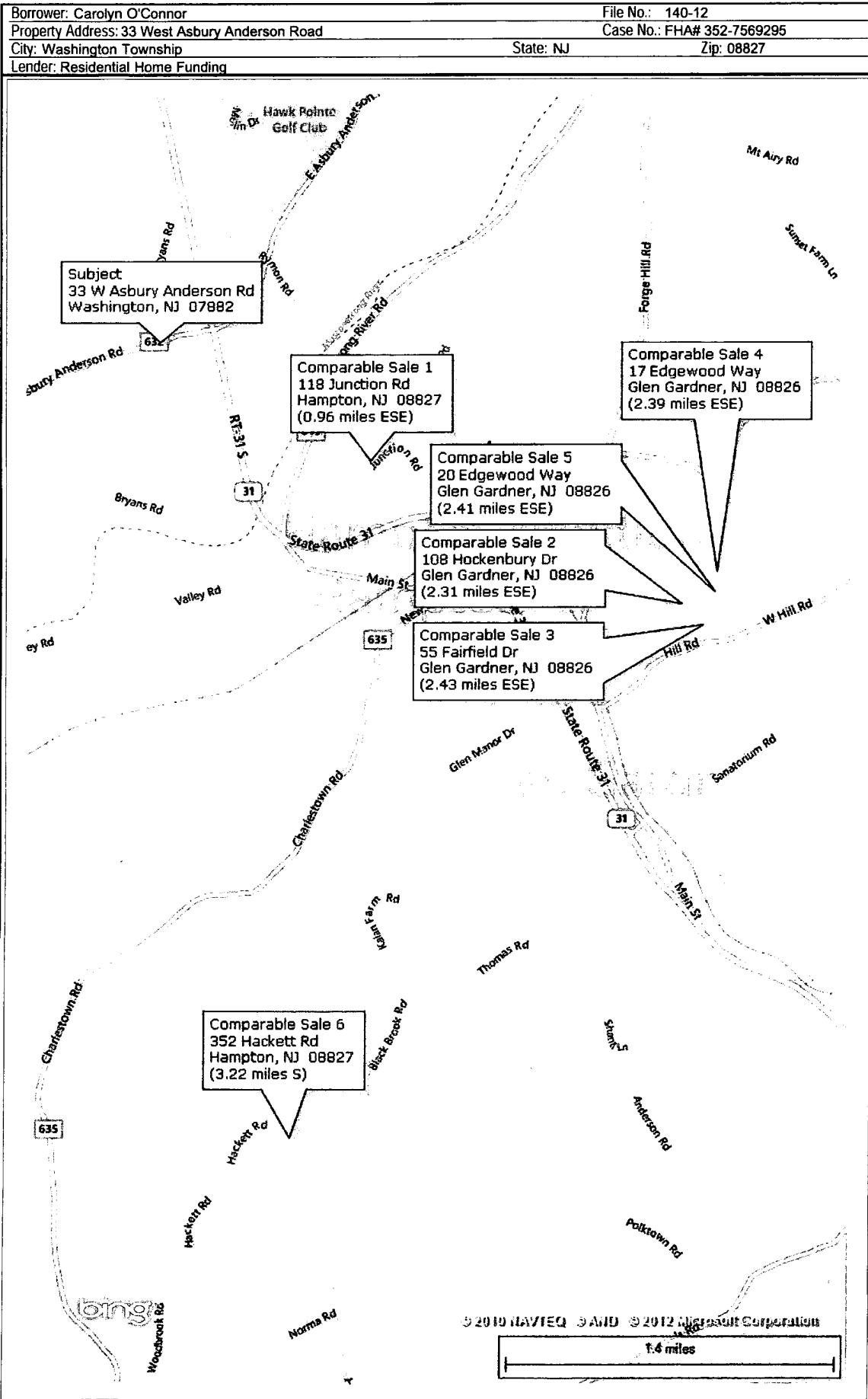
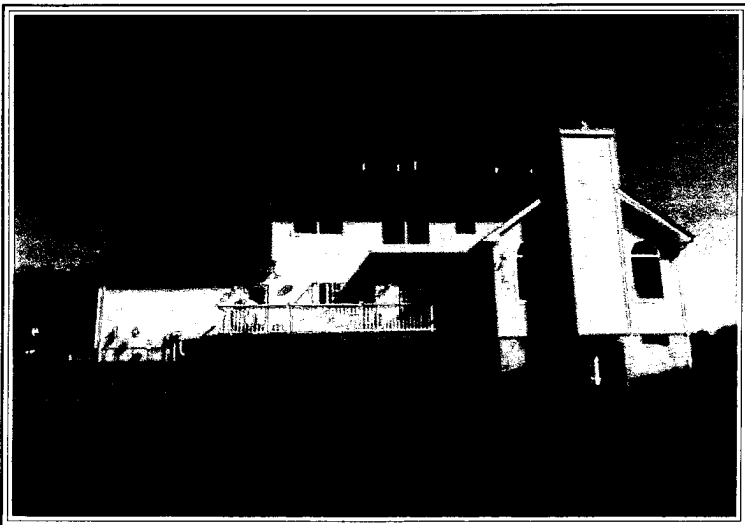


Exhibit 1 Page 21 of 27
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ
Lender: Residential Home Funding	Zip: 08827



FRONT VIEW OF
SUBJECT PROPERTY



REAR VIEW OF
SUBJECT PROPERTY



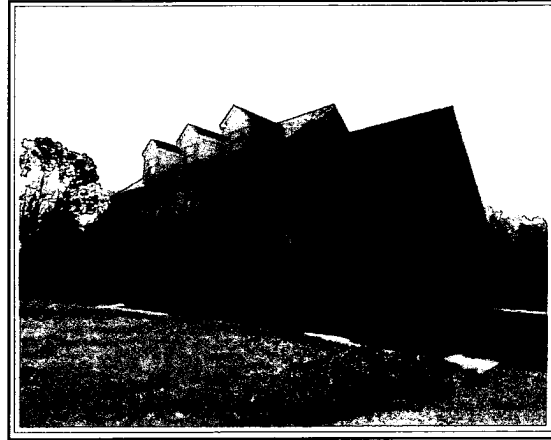
STREET SCENE

ADDITIONAL PHOTOGRAPHS

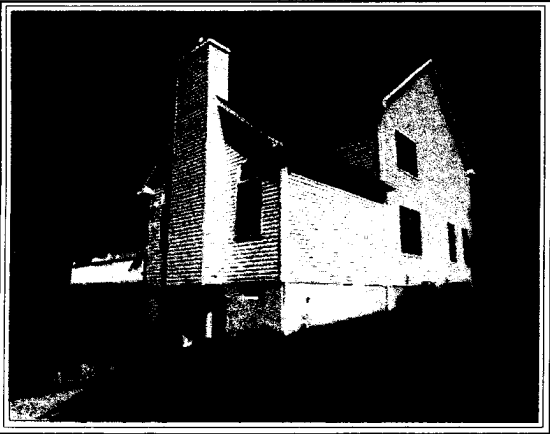
Borrower: Carolyn O'Connor		File No.: 140-12
Property Address: 33 West Asbury Anderson Road		Case No.: FHA# 352-7569295
City: Washington Township	State: NJ	Zip: 08827
Lender: Residential Home Funding		



Front Left View



Front Right View



Rear Left View



Rear Right View

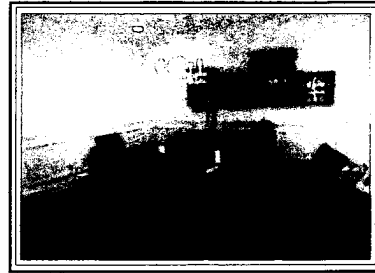
Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ
Lender: Residential Home Funding	Zip: 08827



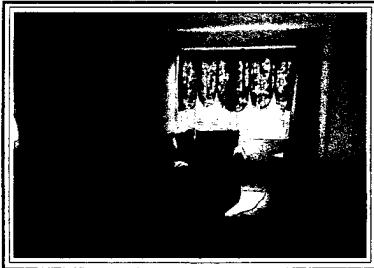
Kitchen



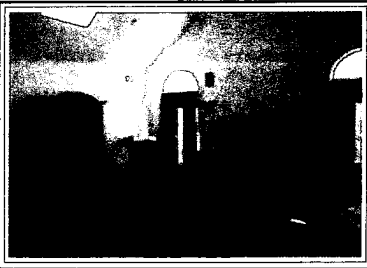
Living Room



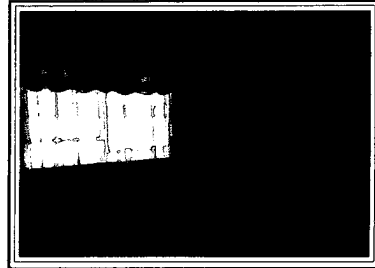
Dining Room



Den



Family Room



Bedroom



Bedroom



Bedroom



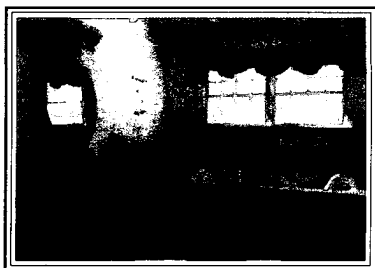
Bedroom



Full Bath



Full Bath



Full Bath

COMPARABLE PROPERTY PHOTO APPENDIX

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ
Lender: Residential Home Funding	Zip: 08827



COMPARABLE SALE #1

118 Junction Rd
Hampton, NJ 08827
Sale Date: s08/11;c07/11
Sale Price: \$ 465,000



COMPARABLE SALE #2

108 Hockenbury Dr
Glen Gardner, NJ 08826
Sale Date: s06/11;c04/11
Sale Price: \$ 480,000



COMPARABLE SALE #3

55 Fairfield Dr
Glen Gardner, NJ 08826
Sale Date: s05/11;c03/11
Sale Price: \$ 430,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ
Lender: Residential Home Funding	Zip: 08827



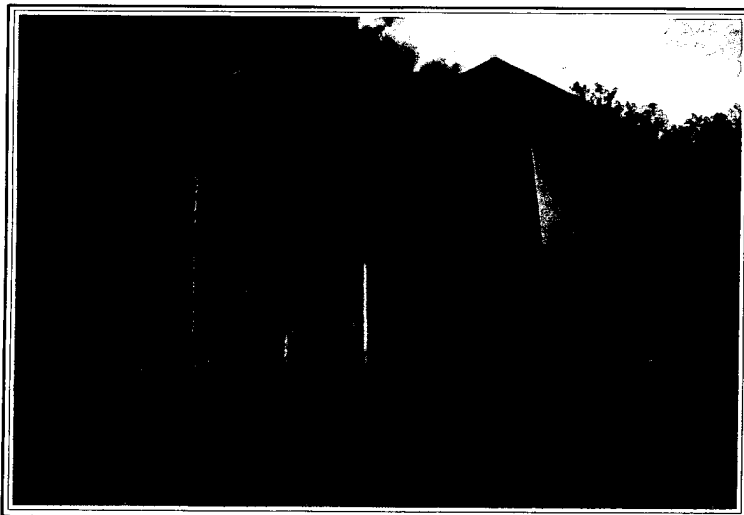
COMPARABLE SALE #4

17 Edgewood Way
Glen Gardner, NJ 08826
Sale Date: s08/11;c07/11
Sale Price: \$ 470,000



COMPARABLE SALE #5

20 Edgewood Way
Glen Gardner, NJ 08826
Sale Date: Active
Sale Price: \$ 469,500



COMPARABLE SALE #6

352 Hackett Rd
Hampton, NJ 08827
Sale Date: Active
Sale Price: \$ 524,900

Appraiser's Certification

Borrower: Carolyn O'Connor	File No.: 140-12
Property Address: 33 West Asbury Anderson Road	Case No.: FHA# 352-7569295
City: Washington Township	State: NJ
Lender: Residential Home Funding	Zip: 08827

BACKGROUND AND MULTIPLE SECURITY FEATURES PLEASE VERIFY AUTHENTICITY

**State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs**

**THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board**

HAS CERTIFIED

**Joshua D. Spiegel
14 Twombly Court
Morristown, NJ 07960-5502**

FOR PRACTICE IN NEW JERSEY AS A(N): Cert Residential Appraiser

**12/30/2011 TO 12/31/2013
VALID**


Signature of Licensee, Registrant/Certificate Holder

**42RC00192200
LICENSE REGISTRATION CERTIFICATION #**


DIRECTOR

E & O Declarations Page

Borrower: Carolyn O'Connor		File No.: 140-12
Property Address: 33 West Asbury Anderson Road		Case No.: FHA# 352-7569295
City: Washington Township	State: NJ	Zip: 08827
Lender: Residential Home Funding		

NAVIGATORS INSURANCE COMPANY

THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.

THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.

PLEASE READ THIS POLICY CAREFULLY.

**REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY
DECLARATIONS**

POLICY NUMBER: PIII2RAL123457IV **RENEWAL OF:** _____

1. **NAMED INSURED:** Joshua Spiegel
2. **ADDRESS:** 14 Trombly Court
Morristown, NJ 07960
3. **POLICY PERIOD: FROM:** 02/08/2012 **TO:** 02/08/2013
12:01 A.M. Standard Time at the address of the Named Insured as stated in Number 2 above.
4. **LIMITS OF LIABILITY:**
A. \$ 500,000 Damages Limit of Liability - Each Claim
B. \$ 500,000 Claim Expenses Limit of Liability - Each Claim
C. \$ 1,000,000 Damages Limit of Liability - Policy Aggregate
D. \$ 1,000,000 Claim Expenses Limit of Liability - Policy Aggregate
5. **DEDUCTIBLE (Inclusive of claim expenses):** A. \$ 500 - Each Claim
B. \$ 1,000 - Aggregate
6. **PREMIUM:** \$ 675.00 Additional 0.9% NJ Guarantee Fund Surcharge \$6.00
7. **RETROACTIVE DATE:** 09/28/2006
8. **FORMS ATTACHED:** NAV RAL NIC PF (02/11) NAV RAL 300 NJ (02/11)
NAV RAL 002 (02/11) NAV RAL 008 (02/11)

PROGRAM ADMINISTRATOR: Herbert H. Landy Insurance Agency Inc.
75 Second Ave Suite 410 Needham, MA 02494-2876

By Acceptance of this policy the Insured agrees that the statements in the Declarations and the Application and any attachments hereto are the Insured's agreements and representations and that this policy embodies all agreements existing between the Insured and the Company or any of its representatives relating to this insurance.

IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary.



[Emily Miner]
Secretary



[Stanley A. Galanski]
President

NAV RAL DEC (02/11)

Page 1 of 1


Insuring A World in Motion®